



ITALY BEST PROSPECT INDUSTRY SECTOR PROFILE

Sector Name: **PET PRODUCTS**

ITA Industry Code: PET

The Italian pet market has recorded the highest growth rate among European countries over the past several years. At the same time, the market remains far from saturated. Research shows the role that pets play in Italy has become more important in recent years, leading to a strong and growing market for pet products.

In recent years, the profile of the average Italian pet owner has changed, as has the role pets play in the modern society. Today dogs and cats – but also birds, small animals (rodents) and even exotic animals such as reptiles and fish – are considered friends and companions that provide psychological comfort. In modern, increasingly hectic and stressful society, pets represent security and comfort; they have come to be scientifically recognized as providing important emotional support. The changing and increasingly important role of pets in Italy is leading to the growth in demand for pet-related products and services.

The pet products market in Italy is estimated at \$3.7 billion for 2003, an increase of approximately 5 percent over the previous year. Trade sources have forecast increases of the same magnitude for the next few years. Dog food is one of the sectors that is expected to increase the most, since the consumption rate of commercial food is still very low compared to other countries. While the “Mediterranean diet” (pasta or rice) is still prevalent in dog and cat diets, the market for industrial or commercial pet food has increased greatly in recent years.

The pet care sector is experiencing remarkable growth. The trend towards “humanization” of pets has led owners to buy specific products for their animal companions. In the pet accessories sector, the trend towards diversification is greater. The growth in this sector is due to the development of high technology products, as well as those that focus on the beauty, elegance and “personality” of pets and satisfy pet owner whims.

Imports play a major role in this market -- especially in the pet food sector -- with over one third of the total market. Over 50 percent of pet food and 20 percent of pet accessories are imported. U.S. brands are among these imports, especially in the pet food sector, where they enjoy an excellent reputation.

Given these positive market conditions, the Italian pet products market has great growth potential and offers many opportunities for U.S. companies wishing to expand their sales internationally.

Data Table:

(USD Millions)	2001 (actual)	2002 (actual)	2003 (estimated)
Total Market Size	2,650	2,940	3,700
Total Local Production	1,900	2,100	2,670
Total Exports	200	220	270
Total Imports	950	1,060	1,300
Imports from the U.S.	195	220	280
Exchange rate \$1=euro	1.117	1.057	0.877

The above statistics are unofficial estimates.